

Message Text

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44

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

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EO 11652: N/A

TAGS: ECON, PINT, CI

SUBJECT: FORMATION OF MINISTERIAL ECONOMIC COMMITTEE

REF: SANTIAGO 3746

1. SUMMARY. GOC HAS ESTABLISHED A NEW MINISTERIAL ECONOMIC COMMITTEE (MEC) TO ADVISE ON ECONOMIC POLICIES AND COORDINATE ECONOMIC DEVELOPMENT. MC WILL BE CHAIRED BY A MEMBER OF JUNTA (ADMIRAL MERINO) AND WILL MAKE MOST ROUTINE ECONOMIC DECISIONS. IF IT WORKS AS INTENDED, MEC WILL FACILITATE WORK OF MINISTER OF ECONOMIC COORDINATION AND KEEP UNDER CONTROL THOSE, USUALLY MILITARY, WHO LIKE TO GO OUTSIDE NORMAL BUREAUCRATIC CHANNELS. END SUMMARY.

2. MINISTRY OF ECONOMY DECREE NO. 454 DATED AUGUST 8 PUBLISHED AUGUST 21 ESTABLISHES, MEC, DESCRIBED AS ECONOMIC ADVISORY ORGAN OF GOVERNMENT JUNTA AND HEAD OF STATE. OBJECTIVES OF GROUP ARE:

A) STUDY AND PROPOSE TO GOVERNING JUNTA AND HEAD OF STATE GLOBAL AND SPECIFIC ECONOMIC POLICIES WITH OBJECTIVE OF COORDINATING AND DEVELOPING NATIONAL ECONOMY.

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B) REVIEW RESULTS OF GOC'S ECONOMIC POLICIES AND PROPOSE
CORRECTIVE MEASURES TO THE HEAD OF STATE AND GOVERNING JUNTA.

3. FOLLOWING ARE MEMBERS OF MEC:

A) MEMBER OF JUNTA DESIGNATED BY HEAD OF STATE; (ADM MERINO)
B) MINISTER OF ECONOMIC COORDINATION; (RAUL SAEZ)
C) FOREIGN MINISTER; (ADM. CARVAJAL)
D) MINISTER OF ECONOMY, DEVELOPMENT AND RECONSTRUCTION;
(FERNANDO LENIZ)
E) MINISTER OF FINANCE; (JORGE CAUAS)
F) MINISTER DIRECTOR OF NATIONAL PLANNING OFFICE (ODEPLAN);
(CAPT. KELLY)
G) MINISTER CHIEF OF ADVISORY COMMITTEE TO GOVERNING JUNTA;
(GEN. CANESSA)
H) MINISTER EXECUTIVE VICE PRESIDENT OF DEVELOPMENT
CORPORATION (CORFO); (GEN. PALACIOS)
I) PRESIDENT OF CENTRAL BANK OF CHILE; (GEN. CANO)
J) ECONOMIC ADVISOR TO PRESIDENT OF MEC. (RADM. GOTUZZO)

4. OTHER MINISTERS CAN ATTEND SESSIONS OF MEC WHEN SUBJECT
TO BE DISCUSSED FALLS IN THEIR AREA OF RESPONSIBILITY.

5. GOVERNMENT JUNTA MEMBER ON MEC WILL PRESIDE; IF ABSENT
NEXT IN LINE WILL BE MINISTER OF ECONOMIC COORDINATION.

6. MEC HAS POWER TO REQUIRE COOPERATION OF INDIVIDUALS OR
PUBLIC AND PRIVATE INSTITUTIONS. EXECUTIVE SECRETARIAT OF MEC
WILL BE ODEPLAN WHICH WILL PROVIDE NECESSARY TECHNICAL
ASSISTANCE. THE SUB-DIRECTOR OF ODEPLAN (THOMAS LACKINGTON,
JR.) WILL HAVE THE ROLE OF EXECUTIVE SECRETARY OF MEC.

7. COURSES OF ACTION ADOPTED BY MEC WILL BE TRANSMITTED TO
PERSON RESPONSIBLE TO CARRY THEM OUT. ACTIONS RECOMMENDED WHICH
EXCEED POWERS OF MEC MEMBERS WILL BE REFERRED TO GOVERNING
JUNTA OR TO HEAD OF STATE, AND IF ACCEPTED WILL THEN BE
HANDLED DOWN IN FORM OF DECREE LAW, REGULATION, SUPREME
DECREE OR INSTRUCTION ACCORDING TO NATURE OF DECISION.

8. COMMENT: MEC IS ESSENTIALLY RECONSTITUTED ECONOMIC
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COMMITTEE WHICH HAS BEEN MEETING UNDER ADM. MERINO'S
CHAIRMANSHIP SINCE SHORTLY AFTER SEPT 11, 1973. ITS
ESTABLISHMENT WAS ENVISIONED IN JURIDICAL STATUTE OF THE
JUNTA (REFTEL), AND SIMILAR DECREES ARE EXPECTED SOON TO COVER
GENERAL LEIGH'S SOCIAL COMMITTEE AND GENERAL MENDOZA'S
AGRICULTURAL COMMITTEE.

9. THERE IS SOME QUESTION WHETHER MEC WILL OVERLAP WITH

FUNCTIONS OF MINISTER OF ECONOMIC COORDINATION (SAEZ)
UNDER DECREE LAW 558 OF JULY 8. MEC HEADED BY JUNTA MEMBER
COULD CREATE ADDITIONAL PROBLEMS FOR SAEZ IF HE AND JUNTA
MEMBER FAIL TO WORK CLOSELY TOGETHER. IF, AS EXPECTED,
MERINO FOLLOWS SAEZ' ADVICE, ECONOMIC COORDINATION JOB
WILL BE FACILITATED BY GIVING SAEZ EFFECTIVE CONTROL OVER
DECISION MAKING BODY.

10. INCLUSION OF GEN. CANESSA IN MEC IS INTENDED BY
ECONOMIC TECHNICIANS, WHO DESIGNED MEC, TO KEEP HIM UNDER
BUREAUCRATIC CONTROL. IN THEORY, ONCE MEC POLICY DECISION
IS TAKEN, CANESSA MUST GO ALONG AND CANNOT USE END-RUN TO GEN.
PINOCHET TO REOPEN CONSIDERATION.
POPPER

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